

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

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FM AMEMBASSY DUBLIN

TO USDEL MTN GENEVA

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

SECSTATE WASHDC 8532

USMISSION EC BRUSSELS

USMISSION OECD PARIS

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PASS: AGRICULTURE

E.O. 11652: N/A

TAGS: MTN, ETRD, GATT

SUBJECT: BILATERAL TARIFF FORMULA DISCUSSIONS

REF: MTN GENEVA 7827

1. MCNAMARA AND BALE, ACCOMPANIED BY AGRICULTURE ATTACHE AND
ECONOMIC OFFICER, MET MORNING OCTOBER 29 WITH IRISH GOVERNMENT

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OFFICIALS: PAT MCCABE, COUNSELLOR, DEPARTMENT OF FOREIGN AFFAIRS,

JAMES BROSNNAN, DEPARTMENT OF AGRICULTURE, AND HUGH MCGLOIN, MARTIN BRENNAN AND BARRY HARTE OF DEPARTMENT OF INDUSTRY AND COMMERCE.

2. PRIOR TO MEETING, MCCABE ADVISED US THAT IRISH OFFICIALS WERE NOT PREPARED TO DISCUSS TARIFF REDUCTION PROPOSALS IN DETAIL BUT THAT THEY WOULD BE WILLING TO DISCUSS TARIFF FORMULAE IN GENERAL AND WOULD BE HAPPY TO HEAR USG VIEWS. MCGLOIN OPENED THE MEETING WITH THE OBSERVATION THAT THE COMMISSION IN BRUSSELS SPEAKS FOR THE NINE AND WONDERED ABOUT THE POINT OF HAVING A BILATERAL MEETING IN DUBLIN. MCNAMARA POINTED OUT THAT US TEAM WAS NOT IN DUBLIN TO NEGOTIATE, BUT WAS HERE TO DISCUSS THE RESULTS OF SOME OF OUR STUDIES ON US TRADE WITH EC MEMBER COUNTRIES, IRELAND IN PARTICULAR. WE HAVE TRIED TO FIND OUT EXACTLY HOW THE TRADE FLOWS AND HOW IT WOULD BE AFFECTED BY THE VARIOUS TARIFF REDUCTION FORMULAE THAT HAVE BEEN PUT FORWARD IN GENEVA. IN DISTRIBUTING VARIOUS TABLES, GRAPHS AND STATISTICAL MATERIAL TO THE IRISH REPRESENTATIVES, MCNAMARA COMMENTED THAT US FORMULA PUT FORWARD IN MARCH WOULD APPLY TO ALL TRADE, AGRICULTURAL

AS WELL AS INDUSTRIAL. BALE COMMENTED THAT US FORMULA IS A CLEAR INDICATION OF USG DESIRE FOR SUBSTANTIAL REDUCTIONS IN TARIFFS. HE ADDED THAT OUR STUDIES OF MAJOR TRADING AREAS INDICATED THAT THE GREAT BULK OF TRADE LIES IN TARIFF CATEGORIES BETWEEN ZERO AND 15 PERCENT. HE ALSO NOTED THAT US TRADE IS HEAVILY CONCENTRATED IN THE ZERO TO 15 PERCENT AREA. IN EMPHASIZING THE US DESIRE FOR SUBSTANTIAL REDUCTIONS, BALE PRESENTED A TABLE SHOWING THAT THE US FORMULA WOULD CUT MOST TARIFFS BY 59 PERCENT. THE BULK OF US IMPORTS FROM IRELAND FALL IN THE .1 PERCENT - 10 PERCENT RANGE.

3. MCCABE RETURNED TO THE QUESTION OF BILATERAL CONTACTS SAYING THAT GOI APPRECIATES THE PROBLEMS OF THE UNITED STATES IN DEALING WITH A COMMUNITY OF 9 MEMBERS. HOWEVER, HE CONTINUED, IRELAND FINDS IT USEFUL AS A SMALL COUNTRY TO AVOID DETAILED DISCUSSIONS UNTIL THE COMMUNITY'S POSITION IS ESTABLISHED. HE SAID THE US APPROACH ENCOURAGES FRAGMENTATION OF THE EC, AND IT IS NOT IN THE INTEREST OF THE USG TO DO SO. MCNAMARA AND BALE REPLIED THAT WE MOST CERTAINLY SUPPORT EUROPEAN UNITY AND WHEN WE ACTUALLY NEGOTIATE IT IS WITH THE COMMISSION. HOWEVER, IT IS USEFUL FOR INFORMATION PURPOSES TO EXCHANGE VIEWS BILATERALLY, AND WE HAVE LIMITED OFFICIAL USE

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BETTER UNDERSTANDING OF COMMUNITY DECISIONS ONCE THEY ARE TAKEN. MCCABE, NEVERTHELESS, SAID THAT THE US "EMPHASIS ON BILATERALISM" WORRIES THE GOI AND OTHER EC MEMBERS.

4. TURNING TO THE MTN, MCCABE SAID THAT TO THE GOI THE REAL QUESTION IS WHERE WE GO FROM HERE. HE EXPECTS THAT THE PACE WILL ACCELERATE AFTER THE US ELECTIONS. WITH REGARD TO PRODUCT COVERAGE, MCCABE SAID THE GOI WOULD BE OPEN TO SUGGESTIONS ON

AGRICULTURAL PRODUCTS THAT MIGHT BE COVERED. THERE IS SCOPE FOR NEGOTIATION. HE EMPHASIZED THAT IRELAND IS INTERESTED IN BRINGING THE MTN TO A CLOSE NEXT YEAR. RETURNING TO AGRICULTURE, HE SAID BLUNTLY THAT HE FELT THAT THE USG HAS "PROMISED TOO MUCH TO THE MIDWEST" AND THAT WE WOULD NOT BE ABLE TO DELIVER. HE SAID CATEGORICALLY THAT THERE WAS NO HOPE THAT AGRICULTURAL PRODUCTS WOULD BE TREATED THE SAME AS INDUSTRIAL PRODUCTS.

5. US TEAM AVOIDED EMBROIDERING ITSELF IN AN AGRICULTURE VERSUS INDUSTRY DEBATE AND MERELY OBSERVED THAT TWO MAJOR PROBLEMS IN MTN ARE AGRICULTURE AND SUBSIDIES. TEAM NOTED THAT SOME SUCCESS HAS BEEN ACHIEVED IN STANDARDS AND THAT WORK ON SAFEGUARDS IS JUST GETTING UNDER WAY. MCCABE SAID THAT IRELAND IS WELL AS THE MAJOR EC MEMBERS ARE PREPARED TO WORK ON SAFEGUARDS.

6. MCCABE AGAIN RAISED THE POSSIBILITY OF A DIFFERENT APPROACH TO MTN IF US ADMINISTRATION CHANGES AFTER THE ELECTIONS. US TEAM ASSURED MCCABE THAT TRADE ACT REFLECTED WILL OF US CONGRESS AND THAT EVEN IF ADMINISTRATION CHANGES THERE WILL BE NO SUBSTANTIAL CHANGE IN US POLICY IN THIS MATTER.

7. AT THE CONCLUSION OF MEETING MCCABE SAID THAT GOI IS COMMITTED TO TRADE LIBERALIZATION. HE ADDED THAT GOI IS GRATEFUL FOR DOCUMENTATION PROVIDED BY US TEAM AND THAT IT WILL BE TAKEN INTO CONSIDERATION BY GOI.
CURLEY

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